

Program C: Alcohol and Tobacco Control

Program Authorization: R.S. 14:93.20; R.S. 15:578 (A)(1); Title 26 of the La. Revised Statutes; R.S. 36:451(B) and (C), 458(E), 459(F), and 921(C).

PROGRAM DESCRIPTION

The mission of the Alcohol and Tobacco Control Program (organizationally designated as the Office of Alcohol and Tobacco Control). The Office of Alcohol and Tobacco Control (OATC) has responsibility for overseeing the alcoholic beverage and tobacco industries within the state. The mission of the OATC is to reduce underage consumption of alcohol and tobacco through professional, knowledgeable, and courteous service to the taxpayers of the state, in fulfillment of regulatory and statutory enforcement obligations. The OATC also strives to assist taxpayers applying for alcohol and tobacco permits with prompt and quality service, in an effort to deliver permits in the shortest time possible. The OATC is further devoted to the enforcement of the laws of the State of Louisiana.

The goal of the Office of Alcohol and Tobacco Control is to provide the state with an effective regulatory system for the alcoholic beverage and tobacco industries, with particular emphasis placed on reducing underage access to alcohol and tobacco products through efficient and effective education and enforcement efforts.

Several acts that expanded the functions and responsibilities of the Office of Alcohol and Tobacco Control were passed during the 1997 Regular Session of the Louisiana Legislature.

Act 1370, effective October 1, 1997, changed the name of the office and added a license requirement for tobacco products dealers who sell at wholesale, retail, or through vending machines. The OATC is responsible for enforcing the prohibition against sales of tobacco products to youths under the age of 18 years and for registering and permitting tobacco retailers and wholesalers in Louisiana. This licensing program is to help ensure compliance with the Prevention of Youth Access to Tobacco Law.

Act 728, effective August 17, 1997, enacted R. S. 14:93.20 to make it unlawful for alcoholic beverage wholesalers, retailers, or producers domiciled outside of Louisiana to ship directly to consumers in Louisiana unless the shipper is registered with the OATC. The OATC is responsible for enforcing this prohibition and for notifying the U. S. Bureau of Alcohol, Tobacco and Firearms of violations.

Act 1054 instituted the Responsible Vendor Program, which is designed to educate vendors and their employees and customers about selling, serving, and consuming alcoholic beverages in a responsible manner and to provide for certification of vendors and servers. The program, which was voluntary effective January 1, 1998, became mandatory January 1, 2000.

The Office of Alcohol and Tobacco Control includes the Administrative and Compliance Division and the Enforcement and Field Certification Division. The Administrative Division is responsible for licensing alcoholic beverage manufacturers, native wineries, retailers, and wholesalers, as well as retail and wholesale tobacco product dealers. The Enforcement Division is responsible for enforcing Title 26, the Beer and Liquor Law, and the Youth Access to Tobacco Law. Enforcement agents, in conjunction with local law enforcement personnel, conduct random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to assure compliance with the fair trade laws that govern the industries.

The Enforcement and Field Certification activity is responsible for enforcing Title 26 of the Louisiana Revised Statutes, the Beer and Liquor Law, and the Youth Access to Tobacco Law. Enforcement agents, in conjunction with local law enforcement personnel, conduct random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to assure compliance with the sometimes complex fair trade laws that govern the industries. Annually, the division conducts over 15,000 inspections and responds to 10,000 dealer requests.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To reduce the average time required for taxpayers to receive alcohol and tobacco permits to 20 days.

Strategic Link: This operational objective relates to the program's strategic objective to reduce average time required for taxpayers to receive alcohol and tobacco permits.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Average time for taxpayers to receive alcohol and tobacco permits (in days)	Not applicable ¹	34	34	34	29	20
K	Total number of alcohol permits processed	Not applicable ¹	30,882 ²	30,000	30,000	30,000	30,000
K	Total number of tobacco permits processed	Not applicable ¹	15,010 ³	18,000	18,000	19,000	15,000

¹ This was a new performance indicator in FY 1999-00. It did not appear under Act 19 of 1998 and did not have a performance standard for FY 1998-99.

² In FY 1998-99, 166 alcohol permit applications were denied.

³ In FY 1998-99, 10 tobacco permits were denied.

2. (KEY) To reduce the alcohol noncompliance rate to 22% and the tobacco noncompliance rate to 10%.

Strategic Link: This objective relates to the program's strategic objective to reduce the number of compliance violations by 3%.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Alcohol noncompliance rate	20.0% ¹	29.9%	25.0%	25.0%	22.0%	22.0%
K	Tobacco noncompliance rate	10.0% ¹	11.9%	15.0%	15.0%	10.0%	10.0%
K	Total number of compliance checks conducted ²	8,500	11,761 ³	9,000	9,000	11,400	11,400
K	Total number of inspections conducted ²	14,000 ⁴	25,196 ³	21,000	21,000	21,000	21,000

¹ During FY 1998-99, the program's operating budget was adjusted by Budget Adjustment #201 to include a federal grant, which involved conducting 5,000 additional special investigations. Noncompliance rates for alcohol and tobacco were added as performance measures in order to track the progress of the special investigations and other actions conducted by the program. These noncompliance rates were miscalculated and underestimated at the time the budget adjustment was approved.

² This performance indicator includes figures for alcohol, tobacco, and responsible vendor.

³ The variance between standard and actual is due to a baseline study mandated by contract with DHH to do compliance checks on alcohol and tobacco permit holders. Significant overtime work was required.

⁴ During FY 1998-99, the program's operating budget was adjusted by Budget Adjustment #201 to include a federal grant, which involved conducting 5,000 additional special investigations. Due to the timing of the federal grant, 3,500 investigations were scheduled for FY 1998-99 and 1,500 were included in FY 1999-2000 projections.

GENERAL PERFORMANCE INFORMATION: ALCOHOL AND TOBACCO CONTROL			
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Alcohol noncompliance rate	Not available	58.0%	29.9%
Tobacco noncompliance rate	75.0%	50.0%	11.9%
Total number of summons and arrests ¹	Not available	Not available	2,664
Total number of citations issued	Not available	4,444	3,080

- ¹ Summons and arrests did not come through the Office of Alcohol and Tobacco Control prior to FY 1998-99. They went from the agent to the District Courts through the state. Now summons and arrests come through the office first and the office is able to track the number of summons and arrests.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	338,940	200,000	200,000	200,000	140,327	(59,673)
Fees & Self-gen. Revenues	3,063,237	3,828,536	3,828,536	3,474,027	3,527,416	(301,120)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	312,566	312,566	312,566	0	(312,566)
TOTAL MEANS OF FINANCING	<u>\$3,402,177</u>	<u>\$4,341,102</u>	<u>\$4,341,102</u>	<u>\$3,986,593</u>	<u>\$3,667,743</u>	<u>(\$673,359)</u>
EXPENDITURES & REQUEST:						
Salaries	\$2,028,922	\$2,579,696	\$2,579,696	\$2,641,661	\$2,191,924	(\$387,772)
Other Compensation	35,312	65,750	65,750	65,750	65,750	0
Related Benefits	380,813	465,604	465,604	474,295	416,517	(49,087)
Total Operating Expenses	608,102	528,465	579,177	620,553	610,293	31,116
Professional Services	15,958	85,900	68,855	68,855	68,855	0
Total Other Charges	107,168	123,118	115,479	115,479	115,479	0
Total Acq. & Major Repairs	225,902	492,569	466,541	0	198,925	(267,616)
TOTAL EXPENDITURES AND REQUEST	<u>\$3,402,177</u>	<u>\$4,341,102</u>	<u>\$4,341,102</u>	<u>\$3,986,593</u>	<u>\$3,667,743</u>	<u>(\$673,359)</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	76	79	79	79	79	0
Unclassified	2	2	2	2	2	0
TOTAL	<u>78</u>	<u>81</u>	<u>81</u>	<u>81</u>	<u>81</u>	<u>0</u>

SOURCE OF FUNDING

This program is funded with Fees and Self-generated Revenues, and Interagency Transfers. The Fees and Self-Generated Revenues are generated through fees assessed the industry through the required purchase of various licenses, permits, and fines for violations, etc. The Interagency Transfers are from the Department of Health and Hospitals for enforcement of the Prevention of Youth Access to Tobacco Law; from the Department of Public Safety for the enforcement of State and Federal laws prohibiting the sale of alcoholic beverages to underage consumers; and from the Department of Health and Hospitals for the "Combating Underage Drinking" Grant.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$4,341,102	81	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$4,341,102	81	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$44,254	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$35,093	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$9,028	0	Risk Management Adjustment
\$0	\$198,925	0	Acquisitions & Major Repairs
\$0	(\$466,541)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$372,239)	0	Salary Base Adjustment
\$0	(\$52,082)	0	Attrition Adjustment
\$0	(\$94,802)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
\$0	\$3,795	0	Other Adjustments - Funding provided for rent fees in the Monroe Regional Office
\$0	\$21,210	0	Other Adjustments - Automotive maintenance for vehicles
\$0	\$3,667,743	81	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$3,667,743	81	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$3,667,743	81	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 84.5% of the existing operating budget. It represents 80.0% of the total request (\$4,582,604) for this program. The 15.5% decrease from the existing operating budget is due to non-recurring acquisitions and major repairs and a funding adjustment necessary to ensure adequate funding, with attrition of 81 recommended positions, and reductions imposed by Executive Order MJF 99-52 in FY 00-01. This program does not have any positions that have been vacant for one (1) year or more.

PROFESSIONAL SERVICES

\$5,500	Provide website access for ATC
\$10,300	Create and maintain data base for new software programs
\$10,000	Provide advice, opinion and expert testimony, brochures, etc.
\$17,000	Provide legal research and brief to the Commissioner of ATC
\$4,901	Provide a inventory database system
\$400	Transcription of tapes for pending cases
\$750	Provide for an expert witness, Morris National Inc.
\$20,004	Provide for other contracted services

\$68,855 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

Interagency Transfers:

\$94,359	Rent in State-owned Buildings
\$2,154	Civil Service Fees
\$18,966	Department of Public Safety for computer line usage

\$115,479 SUB-TOTAL INTERAGENCY TRANSFERS

\$115,479 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$198,925	Replacement Equipment: 4 Replacement Vehicles, 2 Radios, 16 Warning Lights, 15 Raid Jackets, 47 Uniforms, etc.
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\$198,925 TOTAL ACQUISITIONS AND MAJOR REPAIRS